

Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 /018 W
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P R 080720Z JUL 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 9770

INFO USDOC WASHDC

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 9052

E.O. 11652: N/A

TAGS: EMON, ETRD, IN

SUBJ: MICA

REF: STATE 154897

1. WE MET WITH MINISTRY OF COMMERCE JOINT SECRETARY PREM KUMAR WHO REPLACED GILL, AND UNDER-SECRETARY K.L. MATHUR ON JULY 3. THESE OFFICIALS WERE NOT AWARE OF MARSHALL'S LETTERS TO N. C. JAIN OF MITCO AND GILL. WE, THEREFORE, PROVIDED THEM WITH A COPY OF MARSHALL'S JUNE 11 LETTER AS THEY WERE TO MEET WITH JAIN ON JULY 4.

2. IN RESPONSE TO KUMAR'S QUESTION, WE OUTLINED THE BASIC PROBLEM EXPLAINING THAT U.S. IMPORTERS OBJECTED TO DEALING WITH MITCO BECAUSE THEY FEAR (1) IT WILL BE UNABLE TO DELIVER SPECIFIC QUANTITIES OF MICA GRADES, (2) THE VARIOUS GRADES OF MICA EXPORTED WILL NOT COMPLFFWITH PRESCRIBED STANDARDS AND (3) MITCO WILL NOT ADHERE TO PROMISED DELIVERY SCHEDULES. KUMAR AND MATHUR ASKED FOR PARTICULARS OF THE CASES MENTIONED IN MARSHALL'S JUNE 11 LETTER. SPECIFICALLY, THEY WOULD LIKE DOCUMENTATION PERTAINING TO THE REJECTED SAMPLE SHIPMENTS.

3. NEITHER OFFICIAL SAID OR IMPLIED ANYTHING THAT MAKES US THINK THAT THE GOI IS WILLING TO RECONSIDER ITS CHANNELIZATION
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DECISION AT THIS TIME. IN FACT MATHUR STATED THAT HE WAS

SURPRISED THAT U.S. INDUSTRY WAS RAISING OBJECTIONS BECAUSE IT HAD NOT DONE SO DURING HIS VISIT TO NEW YORK IN 1974. HE SAID THAT HE UNDERSTOOD AT THAT TIME THAT U.S. IMPORTERS WERE WILLING TO GO ALONG CHANNELIZATION.

4. OBVIOUSLY, PRIVATE INDIAN EXPORTERS STAND TO LOOSE AND HAVE MADE THEIR POSITION KNOWN TO U.S. IMPORTERS. THE INDIAN EXPORTERS VIEW, WHICH IS PROBABLY CORRECT, IS THAT ONCE THE 40/60 PERCENT ORDER IS IMPLEMENTED, THE HANDWRITING IS ON THE WALL AND EVENTUALLY, 100 PERCENT OF EXPORTS WILL BE CHANNELLED THROUGH MITCO. ONE LEADING EXPORTER TO WHOM WE TALKED THOUGHT IF U.S. IMPORTERS COULD BE PERSUADED TO HOLD OFF PURCHASES FOR 3-4 MONTHS THAT A COMPROMISE COULD BE WORKED OUT.

5. FOR ITS PART THE GOI IS DETERMINED THAT MITCO WILL DO BUSINESS. IT IS IRRITATED THAT EXPORTERS IGNORED THE VOLUNTARY 30/70 PERCENT ARRANGEMENT PREVIOUSLY IN EFFECT. VIRTUALLY NO EXPORTS WERE CHANNELLED THROUGH MITCO ACCORDING TO MATHUR. FURTHER, THE WHOLE ISSUE HAS POLITICAL RAMIFICATIONS. OVER 300,000 LABORERS IN BIHAR ARE EMPLOYED IN THE INDUSTRY, MOST OF THEM BY SMALL PROCESSORS. MITCO WAS SET UP TO BUY FROM THEM AND NOW HAS A \$4 MILLION INVENTORY OF VARIOUS GRADES OF MICA FOR DISPOSAL. UNDER THE PRESENT CIRCUMSTANCES MATHUR AND KUMAR STATE THAT THE GOI HAS NO CHOICE BUT TO SUPPORT MITCO.

6. ACTION REQUESTED: IT WOULD BE HELPFUL IF THE U.S. MICA IMPORTERS ASSOCIATION PROVIDED DOCUMENTATION ON THE REJECTED SAMPLE SHIPMENTS TO THE GOI.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MICA
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NEWDE09052
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750234-1175
From: NEW DELHI
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t19750777/aaaacqul.tel
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Margaret P. Grafeld
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